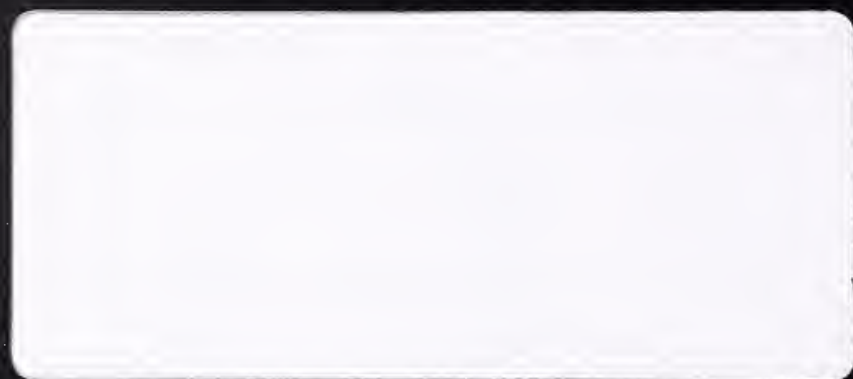


INPUT Research
Briefing

March 1994
Dallas





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Briefing

March 1994
Dallas

CA
J.B. Brown

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Worldwide Information Services Markets

Bob Goodwin
Vice President
INPUT

BGD-1

INPUT

Notes:

Information Services Overview

BGD-2

INPUT

Notes:

Worldwide Information Services Industry

Market Forces

- Global recession continues
- Information = competitive commodity
- Business process re-engineering

BGD-3

INPUT

Notes:

Worldwide Information Services Industry

Market Forces

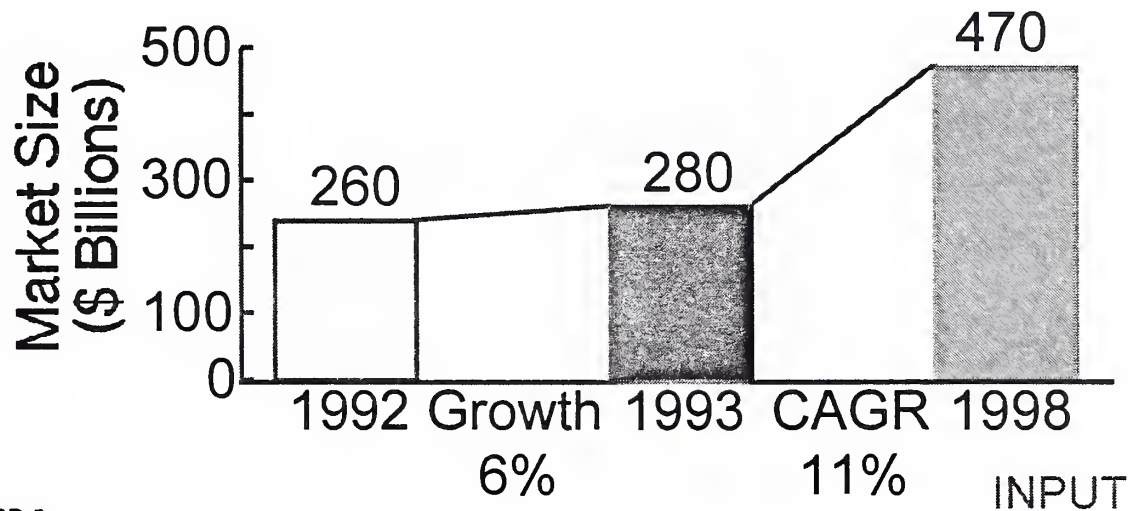
- Demand for integrated solutions
- Telecommunications capabilities
- Information technology standards
- Information services vendor capabilities

INPUT

BGD-4

Notes

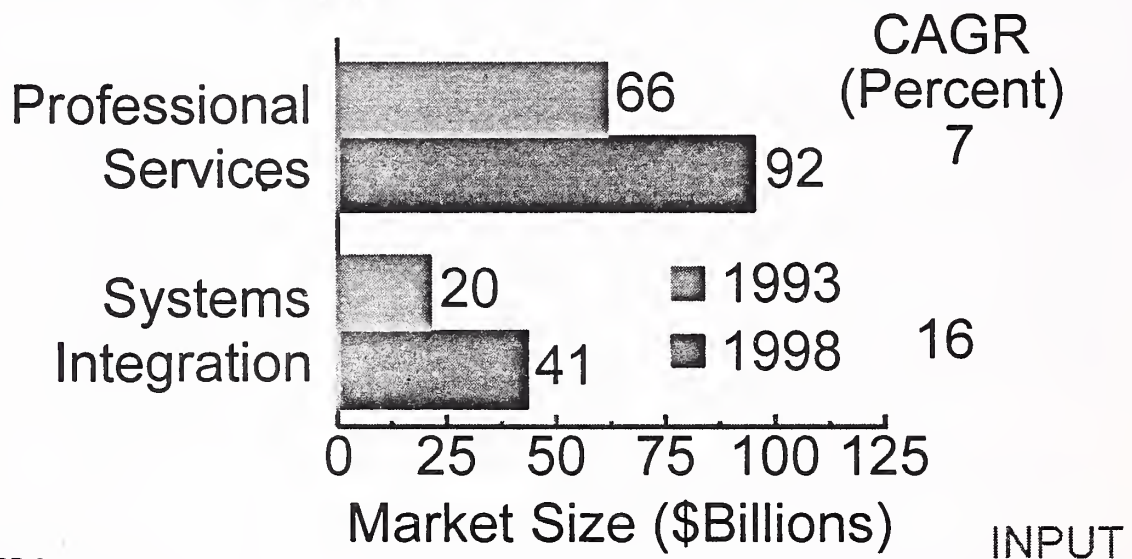
Worldwide Information Services Market, 1993-1998



BGD-5

Notes:

Worldwide Information Services Market



BGD-6

Notes:

Worldwide Market Forecast—Leading Countries

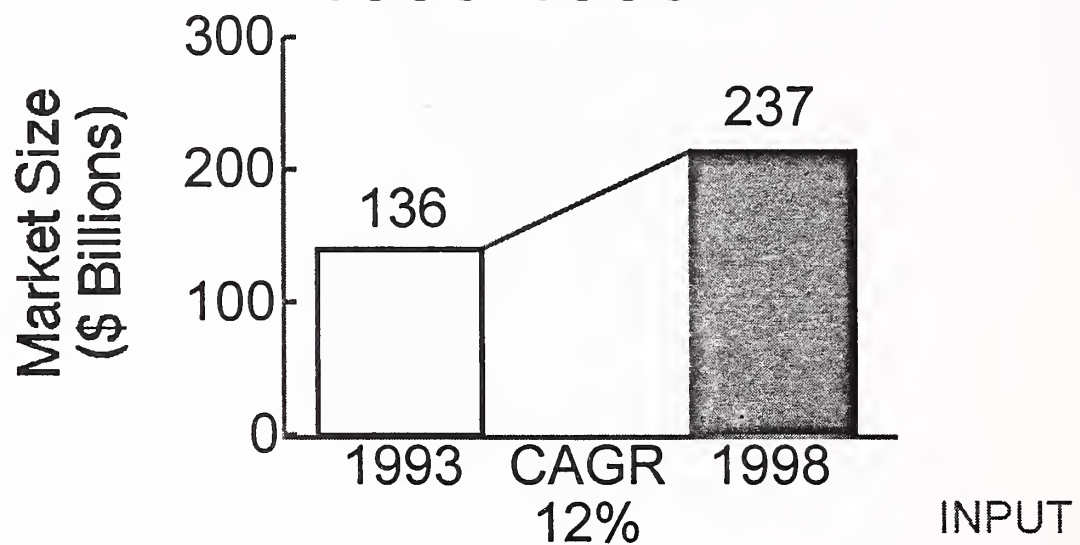
Country	1993	
	\$ Billions	Total (%)
U.S.	136	49
Japan	39	14
France	20	7
Germany	17	6
U.K.	12	4

INPUT

BGD-7

Notes:

United States Information Services Market 1993-1998



BGD-8

Notes:

United States

Market Forces

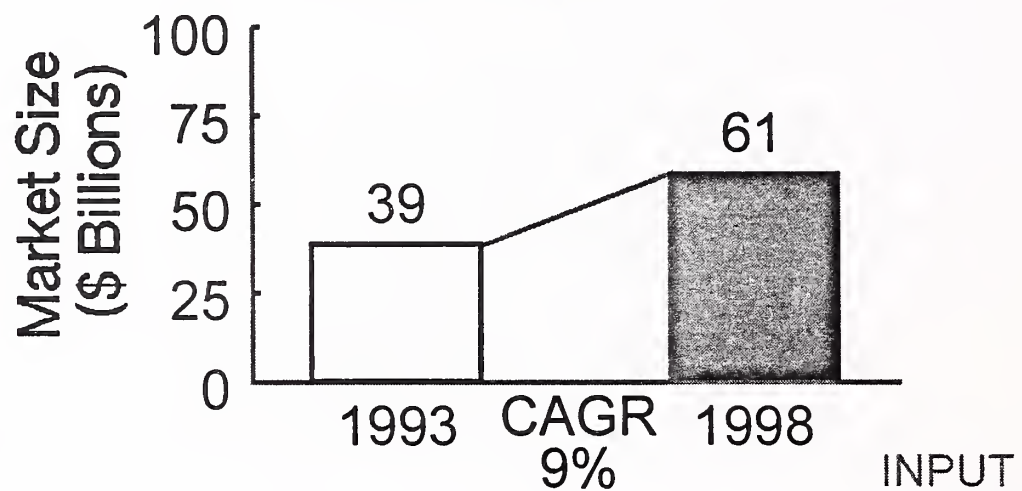
- Slow economic recovery
- Globalization
- Large vendor influence
- Market maturity
- Information Superhighway
- Wireless communication

INPUT

BGD-9

Notes:

Japan Information Services Market 1993-1998



BGD-10

Notes:

Japan

Market Forces

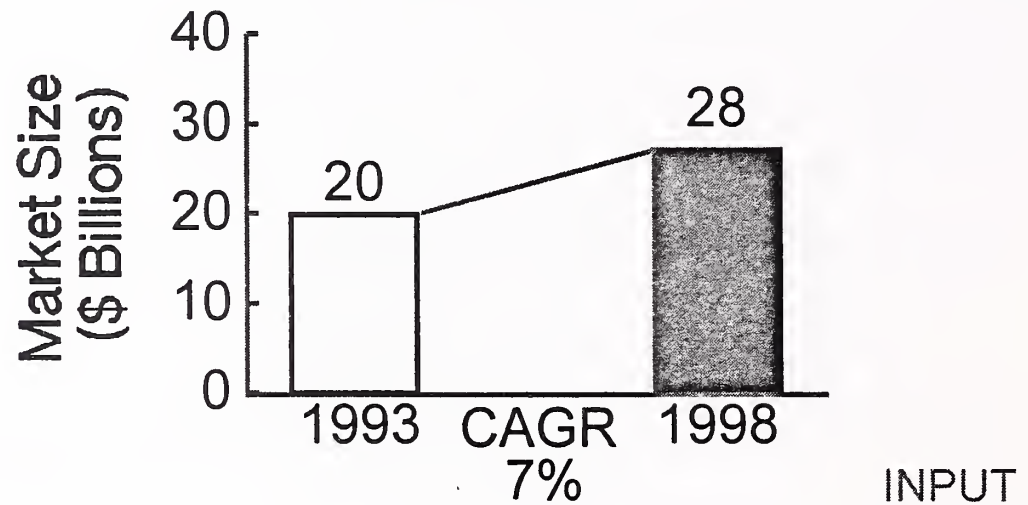
- Economic turmoil
- Increasing competition in Asia
- Outsourcing an alternative to technology investment
- Government economic policies
- Client/server dilemma
- Interest in SI, outsourcing practices

INPUT

BGD-11

Notes:

France Information Services Market 1993-1998



BGD-12

Notes:

France

Market Forces

- Lingering recessionary effects
- Sale of nationalized companies
- Tradition in information services
- Users want better value

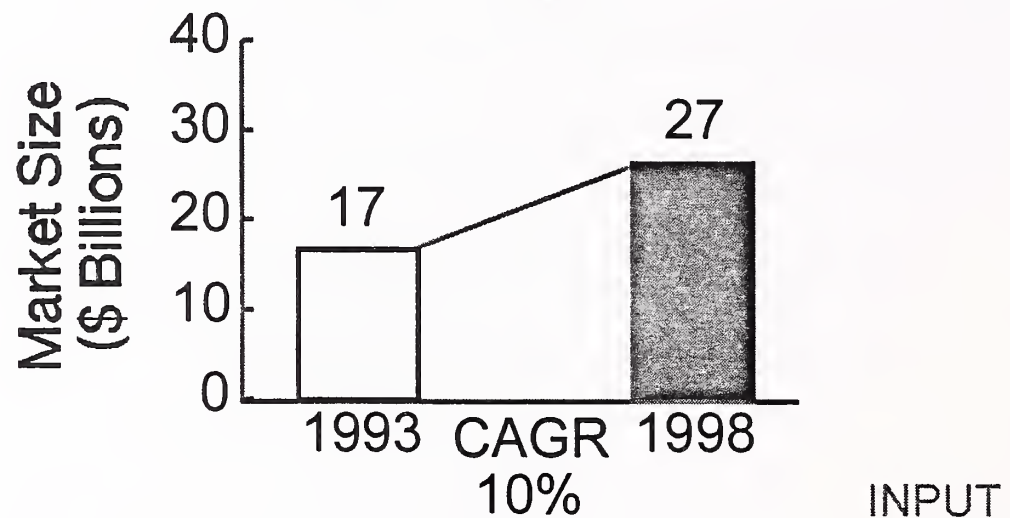
BGD-13

INPUT

Notes:

Germany

Information Services Market 1993-1998



BGD-14

Notes:

Germany

Market Forces

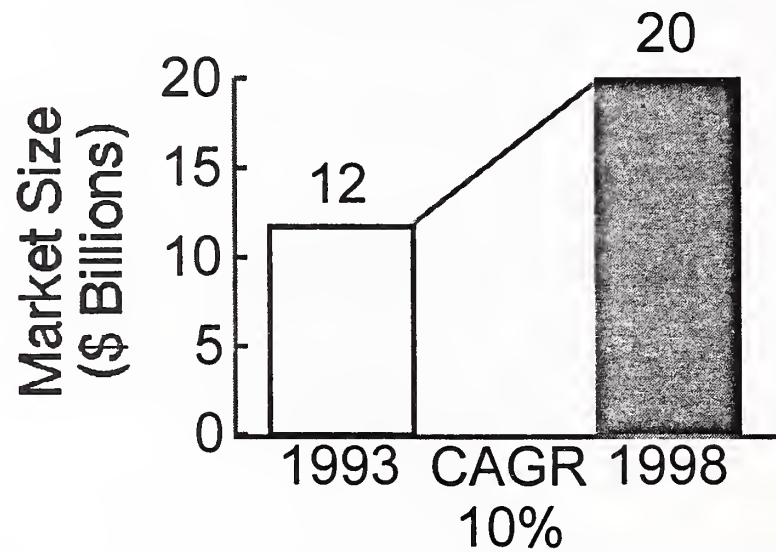
- Strains of reunification
- Manufacturing sector hit hard by recession
- Predisposition to in-house solutions
- Former East Germany needs information services

BGD-15

INPUT

Notes:

United Kingdom Information Services Market 1993-1998



BGD-16

INPUT

Notes:

United Kingdom

Market Forces

- Low confidence in IT investment
- GDP, inflation rate healthier than most of Europe
- Outside vendor use increased
- Advanced network services market
- Open to foreign vendors
- Outsourcing mandates (gov't.)

INPUT

BGD-17

Notes:

Major Trends in Systems Integration Markets

Wilson Haddow
Business Integration Program
Manager, INPUT

INPUT

Notes:

Systems Integration Definition

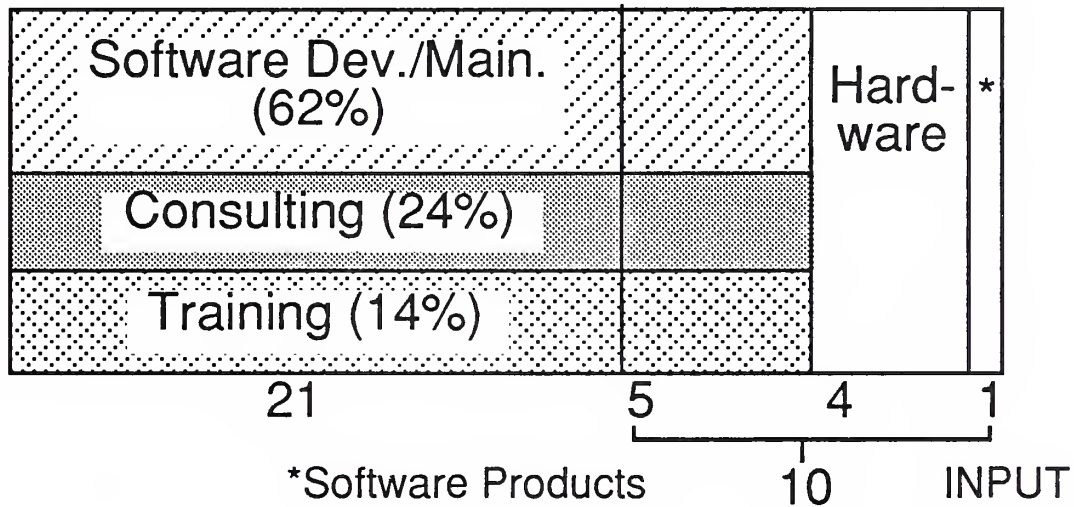
- Vendor-provided service
- Single-vendor responsibility for project
- Complete solution to complex requirement for:
 - Information systems
 - Networking
 - Automation

INPUT

Notes

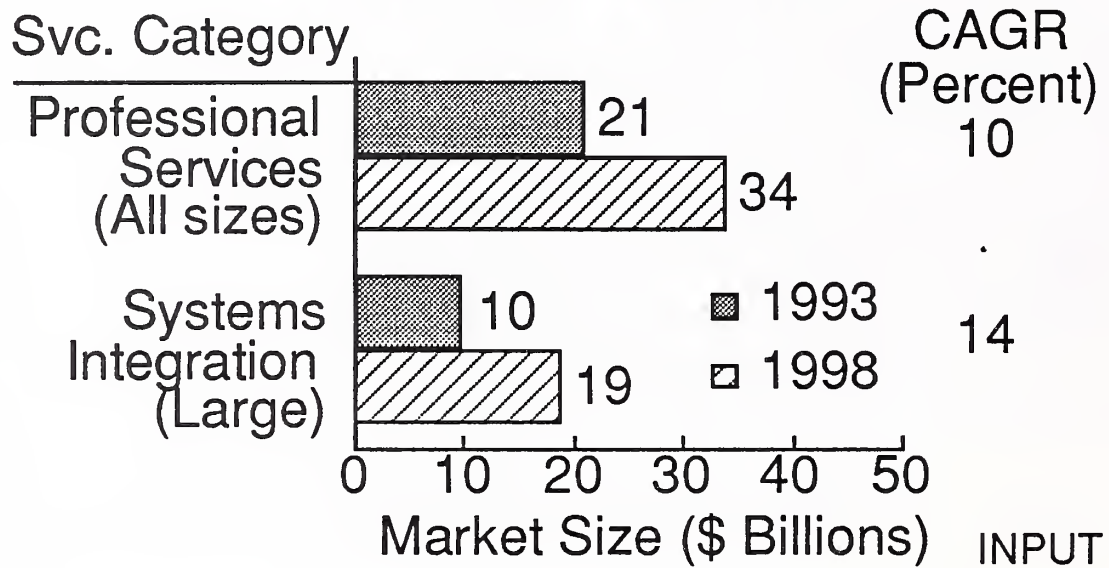
Professional Services and Systems Integration, 1993

Professional Svcs. Systems Integration



Notes

U.S. Information Services Markets



Notes

Business Trends Affecting Use Of SI

Role	Average Importance
Slow economic recovery in 1993	4.4
Pick-up in economy in 1993	4.2
Reduction in defense spending	4.1
Increasing competition	4.1
Greater technology dependence	3.8
Restructuring and re-engineering	3.7

INPUT

SI-178

Notes:

User Requirements Driving SI

User Requirements	Average Importance
Complex industry-specific solutions	4.1
High level of connectivity	4.0
Guidance on client/server planning	4.0
Introduction of key new technology	3.8
Restructuring and re-engineering	3.7

INPUT

SI-180

Notes:

Changing Roles for SI

Role	Average Importance
Advice and planning for IT usage	4.2
Business consultancy	4.1
Development of methodology and program management skills	3.9
Recommend products/services	3.8
Business Process Re-engineering	3.7

INPUT

SI-179

Notes:

User Expectations from SI

Expectations	Average Importance
More rapid solution	4.3
SI vendor knowledge of industry solutions	4.2
Improved IT planning	4.0
Pace of IT technology change	3.8
Vendor experience with new technology	3.7

INPUT

SI-181

Notes:

Driving Forces Justifying SI Usage

Driving Force	Relative Importance
Increased revenue	4.1
Increased service	4.0
Improved quality	4.0
Support for restructuring	3.8
Revision of IT strategy	3.5

INPUT

SI-183

Notes:

Technological Factors Impacting SI Usage

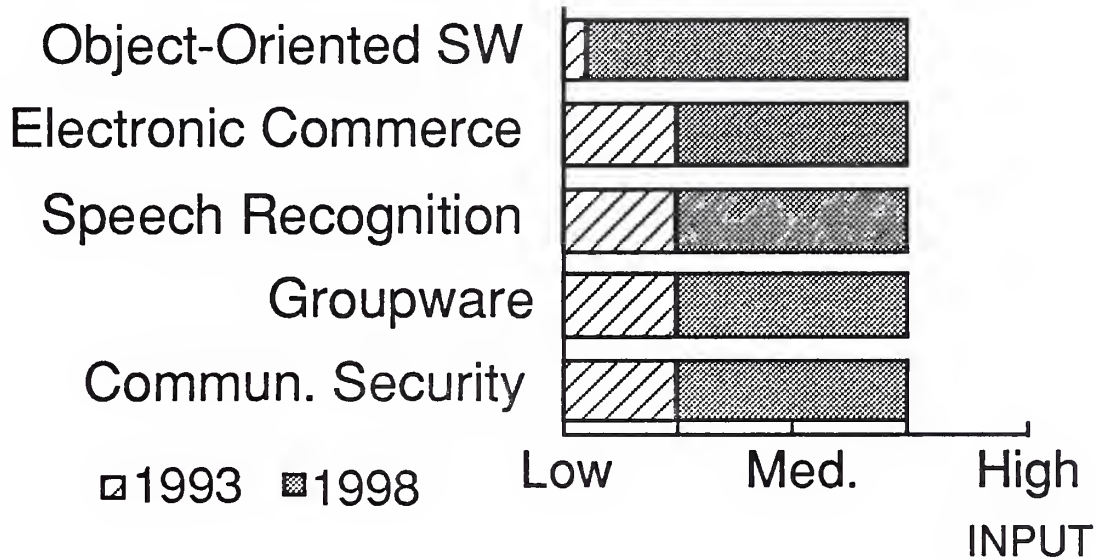
Factor	Average Impact
Client/Server expansion	4.3
Expanded networks	4.2
Support for distributed systems	4.0
Open systems implementation	4.0

INPUT

SI-182

Notes:

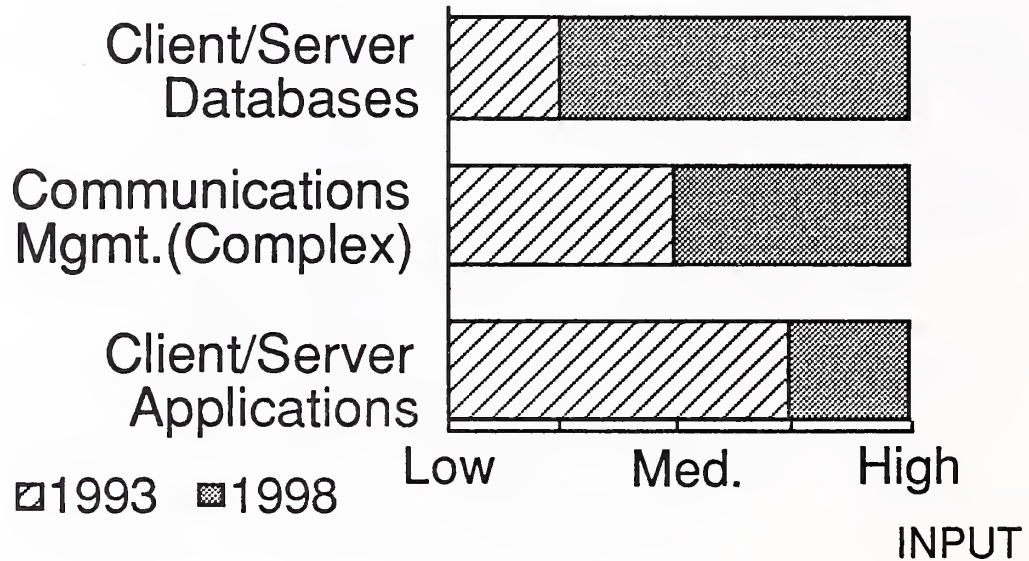
SI-Related Technologies: Importance in 1998, 1993



SI2-2

Notes

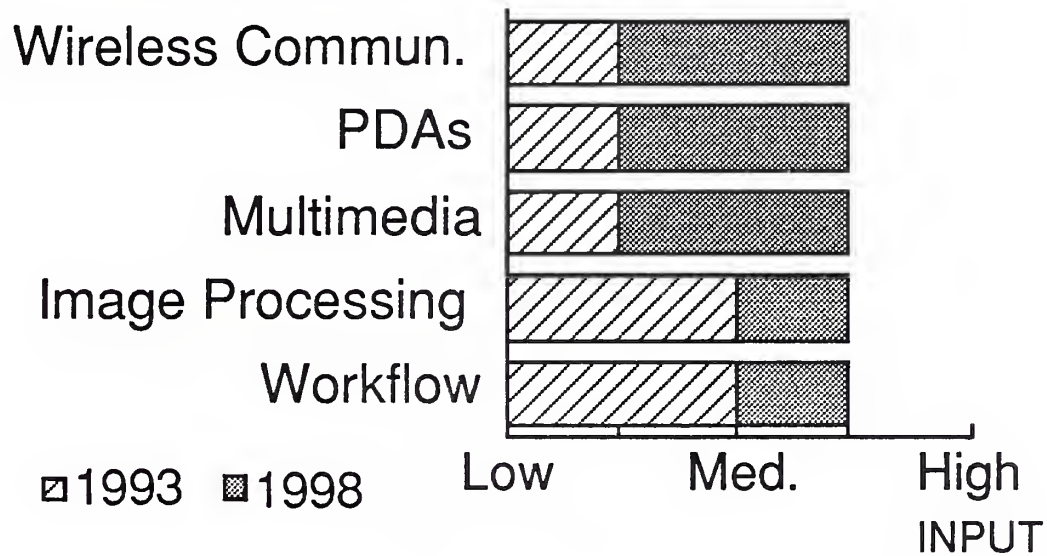
SI-Related Technologies: Importance in 1998



SI2-1

Notes

SI-Related Technologies: Importance in 1998



SI2-3

Notes

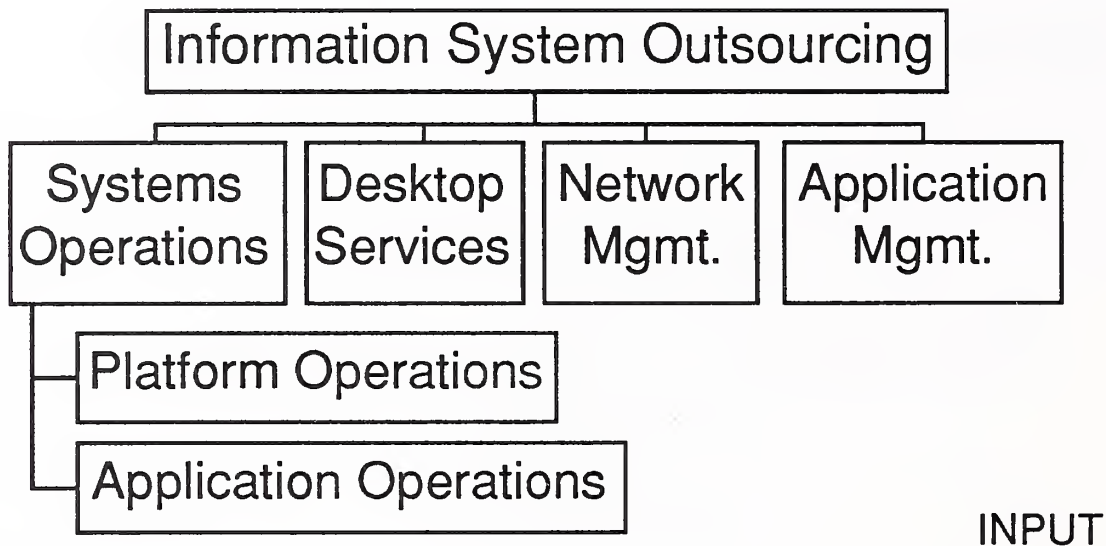
Outsourcing Selection to Satisfaction

I. Steven Kerns
Manager, Outsourcing
Program
INPUT

INPUT

Notes

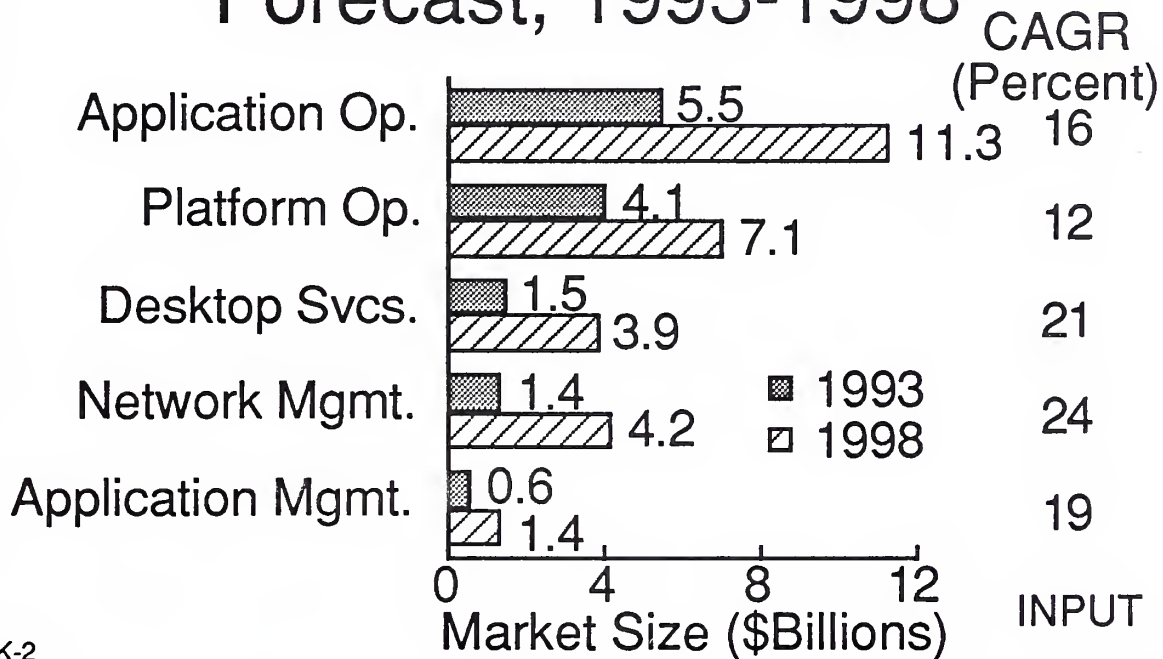
Outsourcing Service Categories INPUT's View



SK-1

Notes

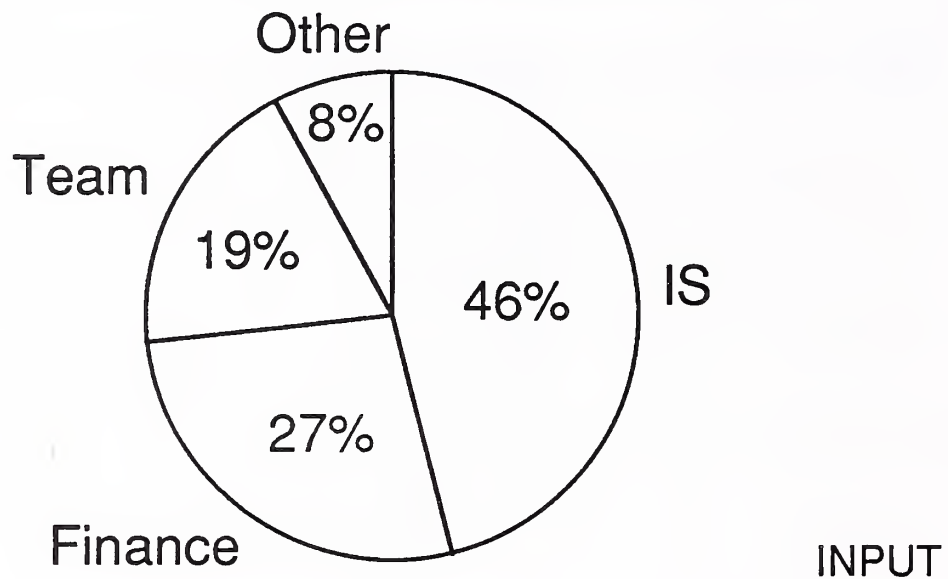
U.S. IS Outsourcing Market Forecast, 1993-1998



SK-2

Notes




Organizations Managing the Selection Process



SK-3

Notes

Impact of Finance on Vendor Selection

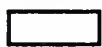
Phase	Primary Dept.	Secondary Dept.	Finance Influence
Cost analysis	Finance	IS	
Prepare RFP	IS	Team	
Pick vendors to bid	IS	Team	



High influence



Med. influence






Little or no influence

INPUT

SK-4

Notes

Impact of Finance on Vendor Selection

Phase	Primary Dept.	Secondary Dept.	Finance Influence
Develop models	Finance	IS	
Evaluate proposals	Team	IS	
Select vendor	CEO/ COO	IS	



High influence



Med. influence



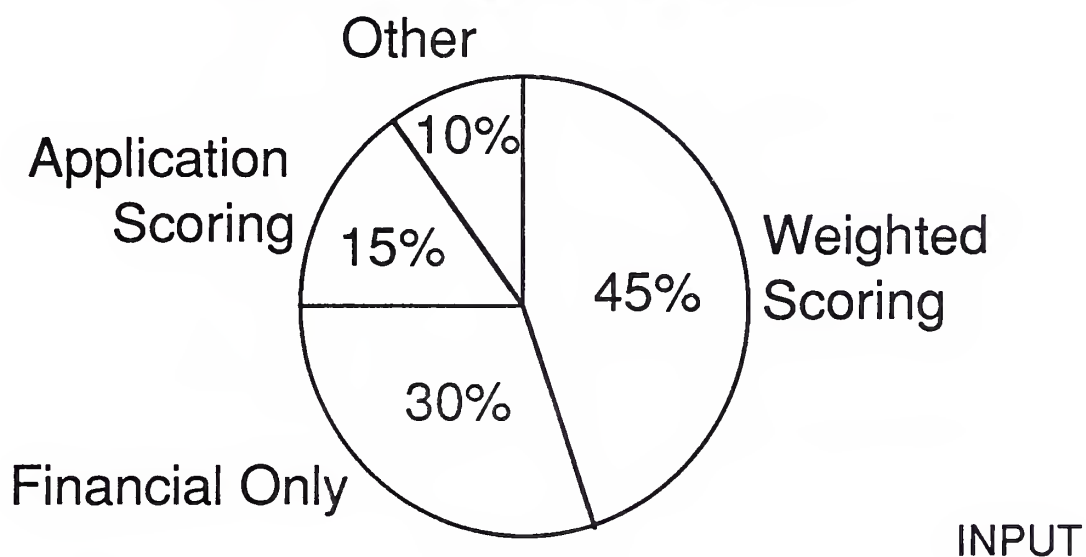
Little or no influence

INPUT

SK-5

Notes

Types of Models Used by Respondents



SK-6

Notes

Benefits Expected from Outsourcing

- Cost reduction/containment
- Better flexibility
- Improved services level
- Better technical support

INPUT

SK-7

Notes

Pricing Scenarios Used

- Combination pricing
- Fixed price over time
- Transaction-based
- Resource-based

INPUT

SK-8

Notes

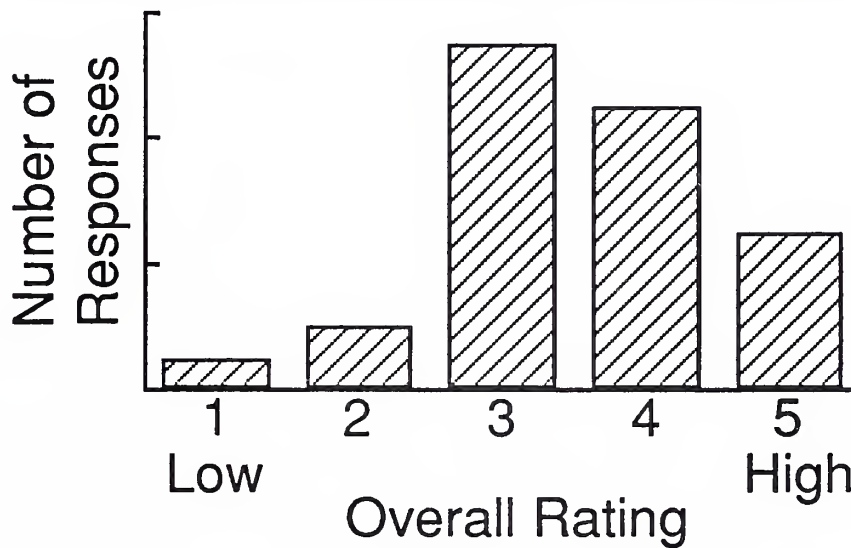
Relationship of Age of Contract to Satisfaction



SK-9

Notes

Overall Satisfaction with Results of Outsourcing Contract



SK-10

Notes

ROBERT L. GOODWIN
VICE PRESIDENT

PROFILE

CAPABILITIES

- Twenty-five years of successful sales, marketing, and general management in the computer equipment, remote processing services, and software industries.
- Expertise in business plan development, strategic partnering and acquisitions, industry marketing, VAR and reseller operations.

BACKGROUND

- Robert (Bob) Goodwin brings to INPUT and its clients comprehensive experience in executive management in large and mid-size corporations.
- Most recently, Senior Vice President-Marketing, Hotel Information Systems, leading vendor of global information systems to the hospitality industry.
- He has served as President of Command Data Systems, a public safety software and turnkey systems vendor. With Bob's leadership and marketing strategy, CDS became a highly visible and respected vertical market leader.
- Bob's qualifications include the role of Director of Marketing for Xerox Computer Services, in support of all field sales and customer services activities.
- At IBM, Bob served as Branch Manager and Assistant District Manager.
- Chairman, Electronic Forms Transfer Committee, ITAA

EDUCATION

- B.A., Psychology, Occidental College.
- Attended the MBA program, Golden Gate University.

WILSON HADDOW
MANAGER,
BUSINESS INTEGRATION PROGRAM

PROFILE

CAPABILITIES

- Twenty years of international experience in the computer industry, including 15 years in consulting and computer services.
- With INPUT, Mr. Haddow provides IT-oriented market development, analysis and planning services to system integration and professional services vendors.

BACKGROUND

- Most recently, Director of Marketing for UNIX International, where he focused on marketing and the software and skills requirements for UNIX-based systems within Data Centers.
- He served at Unisys, in their European Headquarters as well as in the U.S. in a variety of roles, including application software consultancy and support, Professional Services Program Management and UNIX product marketing.
- Wilson's qualifications also include working with a European software and services company on sales and support of general business application packages, and the creation of an Office Automation division for a computer manufacturer.

EDUCATION

- BSc., Mathematics, Strathclyde University, Scotland

I. STEVEN KERNS MANAGER, OUTSOURCING INFORMATION SYSTEMS PROGRAM

PROFILE

CAPABILITIES

- Manager of INPUT's Outsourcing Information Systems Program, providing insight and analysis of markets, vendors and opportunities for Network Management, Platform Operations, Application Operations and Desktop Services.
- Led marketing, planning, consulting and systems development organizations for major vendor and user organizations.
- Presented information systems service worldwide strategic directions and market analysis to professional groups throughout the world.
- Management and consulting assignments:
 - Determine Information Service product feasibility
 - Develop service rollout strategies
 - Develop alliances for network integration services
 - Implement new integration and outsourcing services
 - Responsible for profitability of information services organizations

BACKGROUND

- Over twenty-five years experience as a user, vendor and consultant in the information systems industry.
- Manager of Network Integration and Consulting Services—Ungermann-Bass, an international LAN vendor.
- Manager of Outsourcing and Strategic Services—G2 Research, a market research and consulting company specializing in Systems Integration and outsourcing markets.
- Director of Service Planning—Amdahl, responsibilities included worldwide service marketing, planning, future service technology and organizational development.
- Systems Planning management positions for ATARI and SPRINT.
- Vice President—Bank of America in the Trust and Investment departments. Also held various senior management positions in the Bank's systems organization.

EDUCATION

- MBA, *with honors*, Golden Gate University
- B.A., California State University at Long Beach
- Professional Lecturer in Management, Golden Gate University

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- Product/service opportunities
- Customer satisfaction levels
- Competitive positioning
- Acquisition targets

For Buyers—evaluate:

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- Outsourcing options
- Systems plans
- Peer position

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